

EXHIBIT B

NEWS

Are the million-dollar PPP loans some Palm Beach County golf communities collected justified?

Mike Diamond Special to The Post

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Hunters Run in Boynton Beach received between \$2 million to \$2.5 million in Payroll Protection Program loans. ALLEN EYESTONE/palmbeachpost.com

Six golf course communities are among the more than 3,000 businesses in Palm Beach County that received [Payroll Protection Program \(PPP\) loans through the Small Business Administration \(SBA\)](#).

An analysis of the loans released this week by the SBA shows that the six clubs may have received as much as \$18 million. The SBA had been sued by a number of newspaper organizations over the identity of the loan recipients. When the applicants applied, they were told the loans would be public record.

The program was designed to keep employees on the payroll. If employers do that and comply with the loan conditions, the loans become grants and do not have to be repaid.

The SBA agreed to identify all recipients of loans in excess of \$150,000 but only provided ranges of funds received, refusing to reveal the exact amount.

The data released by the SBA do not include the amount of the loan but rather the loan amount a bank has approved. The actual amount of a loan could be smaller than the approved amount. All amounts are in ranges.

Some golf course communities that accepted PPP loans in Palm Beach County have recently spent upward of \$10 million on massive improvements to their clubhouses and golf courses.

The clubs that took the money include:

- [Hunters Run](#) (\$2 million to \$5 million) in [Boynton Beach](#).
- [Quail Ridge](#) (\$1 million to \$2 million) in Boynton Beach.
- [Wycliffe](#) (\$2 million to \$2.5 million) in [Wellington](#).
- Old Palm (\$1 million to \$2 million) in [Palm Beach Gardens](#).
- [Banyan Cay Resort Club](#) (\$700,000 to \$2 million) in [West Palm Beach](#).
- The Loxahatchee Club Homeowners Association (\$150,000 to \$300,000) in [Jupiter](#).

Scores of other Palm Beach country clubs had applied for the PPP loans. Many were approved but decided to refuse to accept the money on both moral grounds and legal grounds after reading the fine print. Government auditors are expected to review how the money was spent and can ask for the money to be returned and penalties to be imposed if they find misrepresentations.

Fifty-seven country clubs in Florida accepted the PPP funds. According to CNBC, more than 400 country clubs and golf courses received loans throughout the country. The issue of whether it is appropriate for golf course communities to

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receive PPP loans has been debated.

"At the end of the day, we decided we just did not need it," said Stephen Wolk, president of the [Gleneagles Country Club](#) west of [Delray Beach](#). "We could see the government looking very closely at how well-to-do country clubs were using these funds. How do you justify giving it to country clubs?"

Assessment revenue a factor

Joshua Gerstin, a [Boca Raton](#) lawyer who specializes in homeowner and condominium association law, said he expects one factor the SBA will consider is how much revenue a country club gets from its assessments.

"If it is mostly assessment driven, the country club might have a problem," he said. "If members continued to pay their assessments, there was no real loss of revenue. But if much of it comes from dining and other sources that members pay outside of their assessments, they could be eligible."

According to the SBA, businesses must certify that the loan is needed "to support ongoing" operations and that they are unable to access "other sources of liquidity" to support their ongoing operations.

[Addison Reserve](#) General Manager Michael McCarthy said once he and his board saw those revised requirements, they decided that it would be wrong to participate in the PPP program.

"There was no way I could certify that we needed it stay in business or that we didn't have other sources of liquidity," he noted.

"Also, there is a real issue as to whether this money was designed for country clubs when so many small businesses are struggling to stay afloat. Some of our members asked us why we would return the loan. We then asked them if they would sign the certifications. They all said no."

Wycliffe, Quail Ridge: We preserved jobs

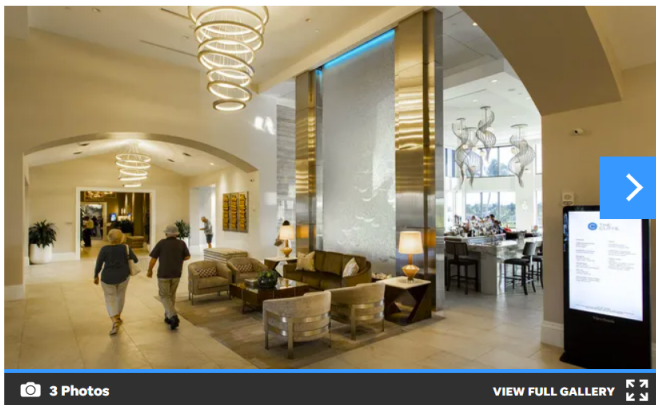
Hunters Run President Michael Soroka declined to comment on the issue. According to the SBA, Hunters Run and Banyan failed to provide data to indicate how many jobs were saved by the loans. [Wycliffe was chastised on CNBC](#) early Tuesday morning for accepting its loan. The Post has learned that the Wycliffe loan amount was \$2 million. It was able to preserve 281 jobs. Wycliffe's general manager, Rob Martin, released a statement to The Post that read:

"At Wycliffe, we are thankful to all of our employees for their hard work and dedication through these challenging times. We took PPP money because we care deeply about our team and wanted to make sure that we had the ability to provide them a regular paycheck. Following the legal parameters, we only requested and received enough to cover our payroll needs and did not use our loan in any way to disadvantage other companies. We are thankful that we qualified to receive money so that our employees and their families could make ends meet during these challenging times."

Quail Ridge GM William Langley said the PPP loan was used as intended. He noted that Quail Ridge would have had to have laid off many of its 300 employees without the loan. "We are not a club with deep pockets," he said.

The Club at Admiral's Cove in Jupiter was one of those that returned the funds - \$3.1 million. "We saw too many issues, both moral and legal," said CEO Bret Morris. "We did not want to take the risks." He said Admiral Cove was able to keep its 500 employees working, noting: "We found other things for them to do."

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